

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 SS-15 SEC-01 L-03 /033 W

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TO SECSTATE WASHDC 8486

C O N F I D E N T I A L NASSAU 1256

E.O. 11652: N/A

TAGS: CFED EFIN BF

SUBJ: SEC INVESTIGATION OF ICD

1. AT A LUNCHEON CONVERSATION TODAY WITH TIM DONALDSON, GOVERNOR OF THE CENTRAL BANK, HE MENTIONED THAT SEC OFFICERS HAD POSTPONED THEIR VISIT TO THE BAHAMAS. DONALDSON SAID THAT ICD AND HE PERSONALLY WERE HOPEFUL THAT SEC WOULD TAKE ADVANTAGE OF INVITATION TO COME TO THE BAHAMAS SINCE THEY WERE ANXIOUS TO SATISFY ONCE AND FOR ALL SEC INQUIRIES. WITH THE RECORDS AVAILABLE HERE, DONALDSON HOPED THAT VISIT WOULD ACCOMPLISH JUST SUCH A PURPOSE.

2. IN RESPONSE TO MY QUERY REGARDING ALLEGATIONS THAT CERTAIN PARTIES HAD BEEN ADVISED NOT TO FULLY COOPERATE BY GCOB OFFICIALS, DONALDSON TYPIFIED THIS AS NONSENSE. I CITED PRICE WATERHOUSE. DONALDSON SAID THAT HE THOUGHT PRICE WATERHOUSE ITSELF MIGHT BE VERY LEERY OF A FULL DISCLOSURE SINCE IT WOULD REVEAL THAT ITS AUDITS HAD BEEN VERY BADLY DONE WHICH MIGHT OPEN PRICE WATERHOUSE TO LEGAL ACTION BY STOCKHOLDERS.

3. COMMENT: AS DEPARTMENT KNOWS, DONALDSON IS ONE OF THE OUTSTANDINGLY CAPABLE GOVERNMENT OFFICIALS IN GCOB. MOREOVER, HE HAS A REPUTATION FOR HIGH INTEGRITY. IN THE ABSENCE OF EVIDENCE TO THE CONTRARY, I WOULD LIKE TO SEE SEC TAKE ADVANTAGE OF OFFER TO VISIT THE BAHAMAS AND SATISFY ITS INVESTIGATORY INTERESTS. ACCORDING TO DONALDSON ONLY ADVICE BY HE AND ADDERLEY TO EXERCISE RESTRAINT HAS CAUSED PRIMIN TO RESIST LEVELING A MAJOR BLAST AT USG FOR
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THE MANNER IN WHICH SEC INVESTIGATION HAS BEEN CONDUCTED.

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Message Attributes

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